

1

2

3

4

5

6

DRAFT EIS PUBLIC HEARING

7

FOR MMS FIVE-YEAR PROGRAM FOR

8

OFFSHORE OIL AND GAS LEASING FROM 2007-2012

9

Pages 1-89, inclusive

10

September 28, 2006

11

Commencing at 4:30 p.m.

12

3801 Centerpoint Drive

13

Anchorage, Alaska

14

15

16

17

HEARING PANEL

18

Fred King, Chief Leasing Activities Section

19

James T. Lima, Ph.D.

20

Tom Dunning-Newbury, Ph.D.

21

22

23

24

Reported by: Rosie S. Scott, CSR

25

## INDEX

MMS DRAFT EIS PUBLIC HEARING

PAGE

Public Comments

6

1 Anchorage, Alaska, Thursday, September 28, 2006

2 PROCEEDINGS

3 FRED KING: Good evening. This is the Mineral  
4 Management Service hearing on the five-year program for  
5 offshore oil and gas leasing from 2007 to 2012. If  
6 you're here for a real estate class you're probably in  
7 the wrong place.

8 Just a few administrative items that I'd like  
9 to cover. If anybody needs to go to the restrooms or  
10 anything else, they're right on the other side of the  
11 wall here. We would like to keep people pretty much on  
12 the first floor here. And don't wander too much around  
13 the building. If there is an emergency of any type, we  
14 need to vacate, go out the hall and right out the door  
15 where we came.

16 Due to size of the crowd here tonight I would  
17 like to try and limit the amount of time people are  
18 testifying to five minutes. When we get everybody done,  
19 if there's more room at the end and people want to come  
20 back up and talk again they can. If you have prepared  
21 comments you may submit those prepared comments. We'll  
22 make sure they're in. And as much as you want to say  
23 about -- during the five minutes that would be great.

24 I'll introduce myself. My name is Fred King.  
25 I'm the acting regional supervisor for leasing

1 environment. With me on the hearing panel is Dr. Jim  
2 Lima, and Dr. Tom Dunning-Newbury. And what we would  
3 like to do as we proceed with this is we're going to ask  
4 people to come up and sit here at the table.

5 When you come up we have -- as you signed in  
6 you're telling us who would like to testify. And we  
7 would like you to come up, state your name, and then  
8 spell your name, please, so we get it right.

9 We do have a court reporter and this is Rosie  
10 Scott. And she will be taking verbatim testimony. Also,  
11 be aware, and I think there was a notice back there, and  
12 that is anything you say will be part of the public  
13 record. And it will show up in the documents in the  
14 administrative record for MMS.

15 Just a couple of things, a quick rundown on  
16 where we're at. We put out a draft proposed program.  
17 We have prepared a Draft EIS. That's what this hearing  
18 is about, is to collect comments on that Draft EIS.

19 At the same time the Draft EIS came out, there  
20 was a proposed program that the secretary announced.  
21 That proposed program identifies 21 sales offshore of the  
22 U.S. Nine of those sales are offshore Alaska.

23 His proposal would have three sales in the  
24 Chukchi Sea, two sales in the Beaufort Sea, two potential  
25 sales in the Bering Sea -- Bristol Bay, and two potential

1 sales in Cook Inlet.

2 One fact I would like to say about the two  
3 sales in the Bering Sea is there is currently a  
4 presidential withdrawal in the Bering that has not been  
5 lifted. The Governor has requested that the President  
6 consider lifting that. But at this point it has not been  
7 lifted. And that would have to be lifted before leasing  
8 could occur. I do not have a time schedule for when that  
9 may or may not occur.

10 Following the public hearings here -- and the  
11 closing date for comments on the public hearings is the  
12 22nd of November. Following that, MMS will prepare a  
13 final EIS. Somewhere right after the first of the year,  
14 in January or February, there will be an announced  
15 proposed final program, and the final EIS will be issued.

16 About March, or the first of April at the  
17 latest, the secretary will announce the final program  
18 that gets distributed to Congress and the President for  
19 60 days. And during that 60 days they have the chance to  
20 review it and suggest changes. If there are no  
21 suggestions for changes, then that becomes the program  
22 for the next five years.

23 Couple of key things. For a sale to occur it  
24 must be on the five-year program. There cannot be any  
25 sales that are not in the five-year program. So areas

1     where there are no sales planned or proposed means there  
2     won't be any sales occurring in those areas.

3           However, just because a sale is proposed does  
4     not mean it will occur. We will go through a leasing  
5     evaluation, a lease sale NEPA process. And there will be  
6     additional opportunity to evaluate whether there should  
7     be sales, and what type of stipulations, mitigations or  
8     deferrals should be applied.

9                   So just because it's listed on there now does  
10       not mean that a sale is going to occur, but it does mean  
11       that we will then go further and do further planning and  
12       evaluation for the sale.

13           Are there any questions before we call the  
14       first person up to testify? The first person I have on  
15       the list then is Mr. Maynard Tarp -- excuse me, Tapp.

## 16 COMMENTS

17 MR. TAPP: I've got to practice my handwriting.  
18 My name is Maynard Tapp, M-A-Y-N-A-R-D, T-A-P-P. I'm a  
19 Partner in a small Alaskan business Hawk Consultants,  
20 LLC. We provide people and service to the oil and  
21 Gasindustry.

22 I understand that MMS has estimated oil  
23 reserves up to 27 billion barrels and gas reserves up to  
24 132 trillion cubic feet. With the United States  
25 consuming much of the world's energy resources, we need

1 to develop every opportunity we can find.

2 As a long time Alaskan I have worked in the  
3 industry for over 30 years. I've also worked in the  
4 industry in other parts of the world, Venezuela, Libya,  
5 Algeria. Nobody cares for the environment better than  
6 those companies and people who live and work here in  
7 Alaska. The Alaska people and our partners of the oil  
8 and gas companies develop these resources better than any  
9 other region in the world.

10 I believe the financial security of Alaska and  
11 the national security of the United States that we move  
12 forward in the leasing and development of the Chukchi  
13 Sea, and Beaufort Sea, Cook Inlet, North Alutian Basin  
14 and Bristol Bay, Alaska.

15 Locally we provide significant -- locally this  
16 will provide significant job opportunities for the  
17 peoples in these areas. It will also provide -- it will  
18 also provide local and state revenues necessary for a  
19 healthy local and state economy.

20 Alaska's financial future is tied to these  
21 developments. The United States' long-term energy needs  
22 will be augmented with these developments. I believe  
23 that Alaska's participation in developing our part of the  
24 OCS, based on our record and experience in the OCS around  
25 the nation, that we can develop in an environmentally

1 sensitive and responsible way.

2 I believe the support and the efforts of  
3 Alaska's oil and gas industry partners will develop these  
4 resources in a way that considers all industries and  
5 cultures.

6 They have done this in the past and will  
7 continue doing this as the good citizens of Alaska.  
8 Thank you.

9 MR. KING: Thank you very much. Next up is  
10 Dave Haugen.

11 MR. HAUGEN: For the record, my name is Dave  
12 Haugen, H-A-U-G-E-N. And I'm speaking on my own behalf,  
13 as well as representing my company, which is Lynden,  
14 L-Y-N-D-E-N, where I'm a vice-president.

15 On behalf of myself and Lynden we strongly urge  
16 the U.S. Minerals Management Service to address domestic  
17 energy concerns by including additional Alaskan offshore  
18 acreage in the 2007 to 2012 OCS leasing plan.

19 Specifically we encourage regular lease sales  
20 in the Beaufort and Chukchi Seas, the North Aleutian, the  
21 Bristol Bay area, and Lower Cook Inlet.

22 We supported the request for comments, the  
23 draft proposed program, and continue with our support of  
24 the proposed program and the Draft EIS.

25 Federal offshore acreage holds the greatest



1 potential for finding and commercializing new domestic  
2 oil and gas resources over the next decade.

3 But 85 percent of the U.S. Outer Continental  
4 Shelf is currently off limits to oil and gas activities.  
5 With the exception of the deep water Gulf of Mexico,  
6 Alaska's OCS acreage is the most prospective in MMS'  
7 portfolio. According to MMS' own analysis, the Chukchi  
8 Sea is the most prospective petroleum basin in the  
9 country.

10 Bristol Bay also is believed to hold enormous  
11 natural gas resources sufficient to support a significant  
12 LNG facility that would provide jobs and revenues for  
13 local communities, as well as natural gas for the U.S.  
14 West Coast.

15 Such a project would generate thousands of  
16 construction jobs and 600 to 700 operation jobs in a  
17 region where unemployment is high most of the year, and  
18 where the local economies are almost totally dependent on  
19 fishing and government spending.

20 The MMS projects as much as 7 trillion cubic  
21 feet of gas reserves in the area, which is comparable in  
22 size to the Mackenzie Delta gas development in  
23 northwestern Canada.

24 Industry believes Bristol Bay gas development  
25 can be performed at probably one quarter of the cost of

1 development that will occur in the Mackenzie Delta. Due  
2 to the disparity in the water depths, exploration in  
3 Bristol Bay also would be less costly than in the deep  
4 water Gulf of Mexico.

5 Technology advances and prevailing energy  
6 prices have significantly enhanced the economics of  
7 exploration, development and production in Alaska's OCS.

8 Technology also has significantly reduced the  
9 environmental impacts and risks of offshore development.  
10 There's abundant evidence worldwide that the fishing and  
11 oil and gas industries can exist as they have in the  
12 North Sea in Norway, the Gulf of Mexico, and Cook Inlet  
13 right here in Alaska.

14 With the gap between domestic energy supplies  
15 and the demand growing, competition for global oil and  
16 gas resources rising, prices increasing, a need for new  
17 and diverse sources of domestic energy become even more  
18 urgent.

19 America faces a formidable challenge ensuring  
20 ample energy to fuel our nation's future. Alaska's OCS  
21 can play a significant role in the solution to satisfying  
22 America's energy needs.

23 Lynden urges MMS to allow Chukchi and Beaufort  
24 Seas and the North Aleutian and Lower Cook Inlet Regions  
25 to fulfill their oil and gas potential by supporting OCS

1       lease sale acreage in these areas throughout the 2007 to  
2       2012 OCS leasing plan. I thank you.

3               MR. KING: Thank you very much. Okay. Next we  
4       have Billy Osborne.

5               MR. OSBORNE: First off I'd like to say my wife  
6       didn't hit me with a rolling pin. It was a little  
7       accident on the Kenai River fishing for silvers. My name  
8       is Bill Osborne, O-S-B-O-R-N-E.

9               I'm hear today to express my support for  
10      allowing greater access to our nation's offshore oil and  
11      gas natural resources during the 2007 to 2012 time  
12      period.

13              Currently more than 80 percent of the nation's  
14      offshore national reserves of oil to development --  
15      limits to development with more than 85 billion barrels  
16      of estimated oil to be available. Also 420 trillion  
17      cubic feet of natural gas stands ready to provide a  
18      major component of domestic resources for this country.

19              To expedite the development of these critical  
20      needed resources, the five-year plan must be as broad as  
21      possible and organized in a manner that provides a  
22      reliable leasing schedule for companies to access these  
23      resources in the safe, environmentally sound manner.

24              I urge the MMS to expand the five-year plan to  
25      include any areas that have significant oil and gas

1 reserves. All available acreage in the Gulf of Mexico,  
2 Alaska, particularly in Bristol Bay and Beaufort and  
3 Chukchi Seas and the Atlantic should be offered a lease.

4 This is a critical time for a nation. It is  
5 time to provide a sensible energy plan that fully  
6 utilizes this nation's vast natural resources.

7 The administration and congress should quickly  
8 move to approve a measure to provide a mechanism for  
9 coastal states to profit share in the revenue derived  
10 from offshore oil and gas production. And this  
11 production revenue that is currently shared with --  
12 within inland states could provide a tremendous benefit  
13 through state and local communities helping build roads,  
14 schools hospitals, and other local needs that is vitally  
15 needed.

16 Finally, also leasing must be orderly and must  
17 proceed in a safe and environmentally sound fashion. The  
18 Draft Environmental Impact Statement does a good job of  
19 identifying potential and environmental social impacts.

20 I support exclusively all the acreage included  
21 in the proposed plan can be leased and developed while  
22 protecting the environment and local communities and  
23 other economic interest. Thank you very much.

24 MR. KING: Any questions? Mr. Osborne, before  
25 you go, there's a Bill Osborne on the sheet as well. Is

1       that you? I think we got you twice.

2               MR. OSBORNE: Maybe my wife signed me in and I  
3       came back and signed a separate sheet there. Thank you  
4       very much.

5               MR. KING: Mickey Becker.

6               MR. BECKER: Good afternoon. My name is Mickey  
7       Becker, B-E-C-K-E-R. I'm here representing myself. I'd  
8       like to express my support for expanded offshore leasing  
9       during the five-year period 2007 through 2012, especially  
10      for expanded access in Alaska, notably the Chukchi and  
11      the Beaufort Seas, as well as continuing leasing in the  
12      Bristol Bay area.

13              According to the Minerals Management Service,  
14      Alaska's offshore waters contain huge oil and gas  
15      reserves. MMS estimates that the Chukchi Sea is the most  
16      promising and materially undeveloped U.S. offshore  
17      petroleum basin.

18              The impact of future development in our state  
19      will be tremendous in terms of creating jobs, in terms of  
20      economic growth, and in terms of providing additional tax  
21      source.

22              I've worked in the resource industry for  
23      25 years. And I'm convinced that with today's technology  
24      we can do development in an environmentally friendly and  
25      acceptable manner. I would also like to state that I

1 support revenue sharing with state and local communities.  
2 And I also support the conclusions contained in the Draft  
3 Environmental Impact Statement. And I request that the  
4 MMS properly consider all of the environmental impacts  
5 involved in Alaska's offshore development. I thank you  
6 for the time.

7 MR. KING: Thank you.

8 Shirley Hill? No? Okay. Mack McDonald?

9 MR. MCDONALD: My name is Wayne McDonald, Wayne  
10 McDonald. I'm here representing myself. I've worked in  
11 the industry for 41 years. And I've watched it grow from  
12 running pipelines across the open ground to what we have  
13 today. And I have no doubt in my mind whatsoever that we  
14 can do this and do it safely and with little or no danger  
15 to the environment whatsoever.

16 I'd like to urge you people to okay this and  
17 move forward with it. And that's about it for me. I  
18 didn't say much.

19 MR. KING: Any questions? Thank you.

20 Paul Laird.

21 MR. LAIRD: My name is Paul Laird, L-A-I-R-D.  
22 And I'm testifying on behalf of, and am general manager  
23 of the Alaska Support Industry Alliance. I won't belabor  
24 all the arguments you've heard in favor of expanded oil  
25 and gas leasing. On the OCS in general, and highly

1 prospective areas of offshore Alaska in particular.

2 As a trade organization whose 400-plus member  
3 organization provides goods and services to the oil and  
4 gas industry, and support more than 30,000 jobs in the  
5 state. We favor expanded OCS leasing because it will  
6 generate business opportunities for contractors and  
7 suppliers. As Alaskans we favor it because it will  
8 underpin sustainable economic growth and strengthen our  
9 communities through revenue sharing, which we also  
10 advocate.

11 As Americans we favor it because it will play a  
12 critical role in creating new domestic oil and gas  
13 reserves, and curb our increasingly dangerous dependence  
14 on imports. And as stewards of the environment, whose  
15 lives and livelihoods depends upon environmentally  
16 responsible development, we favor it because we know oil  
17 and gas development, and a clean environment can coexist.  
18 We know because we're the people that make sure they do,  
19 day in, day out, from Cook Inlet to the North Slope and  
20 Cook Inlet and beyond. Thank you very much.

21 MR. KING: Any questions? Thank you very much.  
22 Derrick Dompeling. I hope I didn't slaughter the last  
23 name.

24 MR. DOMPELING: Good afternoon. My name is  
25 Eric Dompeling, D-O-M-P-E-L-I-N-G. Thank you for this

1 opportunity to comment on the Draft Environmental  
2 Statement for the proposed five-year oil and gas lease  
3 plan.

4 My name, as I said, is Eric Dompeling. I'm  
5 here representing myself, but I'm also vice-president of  
6 the Alaska Support Industry Alliance. I'm employed by  
7 Baker Oil Tools, although I'm not representing them here.

8 As a resident of the state of Alaska for 35  
9 years, I've witnessed the positive changes that oil and  
10 gas development have brought to the state of Alaska. The  
11 49th state has, as you know, a vast wealth of natural  
12 resources left to be tapped and utilized to the benefit  
13 of the entire nation.

14 I've worked in the oil support industry  
15 alliance or the oil industry for almost 25 years. And  
16 during that time have personally witnessed the ability of  
17 this industry to explore and produce oil and gas in an  
18 environmentally and conscientious manner.

19 I strongly support leasing in the 21 lease sale  
20 areas considered in the draft plan. With growing  
21 dependency on foreign sources of oil and gas, the federal  
22 waters should be open to leasing for potential  
23 exploration development, specifically, the North Aleutian  
24 Basin, the Chukchi Sea and the Beaufort Sea in Alaska,  
25 and the eastern, central and western areas of the Gulf of



1 Mexico, as well as certain areas considered in the  
2 Atlantic Coast.

3 It's also important that the current moratorium  
4 be removed to allow for future access in the Alaska  
5 offshore Bristol Bay area and off the coast of Virginia.

6 Over the last 40 years industry has  
7 demonstrated that it is capable of operating in similar  
8 environments in other parts of the world as well as  
9 Alaska. Over that time, there has never been a  
10 significant environmental incident in Cook Inlet  
11 resulting from oil or gas production.

12 The North Aleutian Basin and Chukchi Sea are  
13 similar to the North Sea in weather and ocean conditions.  
14 The North Aleutian Basin has ocean conditions similar to  
15 the North Sea in wave height, wind speed and  
16 temperatures. But it also has commercial advantages over  
17 the North Sea due to shallower water depths, and  
18 potentially shorter travel distances to the Aleutian  
19 Island chain for support and infrastructure.

20 Winter exploration programs in the Beaufort Sea  
21 over the past 20 years have proven technologies that will  
22 overcome the challenges of ice conditions in the Chukchi  
23 Sea as well.

24 Federal offshore areas hold the greatest  
25 potential for new discoveries, but with roughly 85

1     percent of OCS area currently off limits to development,  
2     we have placed a stranglehold on our potential domestic  
3     oil and gas resources.

4             It is time to reverse the trend of limiting  
5     access to these offshore areas and provide industry the  
6     opportunity to explore for new domestic reserves.

7             Development in the North Aleutian Basin as well  
8     as the Chukchi Sea will generate local as well as  
9     national benefits. Diversifying the geographical  
10    location of oil development, not only increase our energy  
11    security, it also promotes economic diversification in  
12    local communities.

13            Nowhere in the United States is this more  
14    important than in the areas of Western Alaskan, near the  
15    Aleutian Basin, where employment opportunities are  
16    limited.

17            Oil and gas development will create jobs in  
18    these areas, while increasing local tax bases, providing  
19    a local source of cheap energy, and generally improve the  
20    standard of living. Additionally, revenue sharing with  
21    local communities will help fund new infrastructure to  
22    support oil and gas development.

23            Improving access to these areas now will  
24    provide everyone the time to prepare for the impacts of  
25    development. Federal impact studies, local evaluation of

1 infrastructure needs and construction of those facilities  
2 are all critical to the final development phase.

3 Due to the long lead time for these activities  
4 I urge you to include these in -- these areas in the MMS  
5 2007 to 2012 lease sale plan. Thank you for your time.

6 MR. KING: Thank you very much. John Doughb,  
7 D-O-U-G-H-B, we think.

8 Could that possibly be Douglas?

9 MR. KING: It could be Douglas.

10 MR. DOUGLAS: Sorry about the writing.

11 MR. KING: It may be the age of the eyes  
12 looking at it as well.

13 MR. DOUGLAS: Well, I'm here as a private  
14 citizen. And I want to thank you for this opportunity to  
15 testify in favor of the proposed sales. Quoting the  
16 government's own statistics they've pointed out that  
17 about 30 percent of domestic oil, and 23 percent of  
18 domestic natural gas production now comes from the  
19 offshore continental shelf.

20 It is estimated that the areas that are up for  
21 lease could contain as much as 85 billion barrels of oil  
22 and 420 trillion cubic feet of natural gas. If this  
23 estimate proves to be correct, then it is imperative for  
24 the future of America and the state of Alaska that the  
25 proposed lease sales be held on schedule, and that all of

1 the areas of interest with potential for oil and gas  
2 production, including the Lower Cook Inlet, the Beaufort  
3 and Chukchi Seas, the North Aleutian Basin, the Gulf of  
4 Mexico deep water, and the Atlantic Basins, be developed  
5 and produced in order to help satisfy our domestic  
6 energy needs.

7 We now import about 60 percent of our domestic  
8 energy consumption. And we need to slow down the volume  
9 of oil and gas now being imported.

10 Development of our own resources has become  
11 even more important since China and others now compete  
12 with us on the world energy markets. As their population  
13 increases and they become more affluent, they will use  
14 more energy and the situation will be even more critical.

15 Imported energy will most likely become costly  
16 to us in America. I support the concept of revenue  
17 sharing with the coastal states impacted by offshore  
18 development. I support the conclusions spelled out in  
19 the Draft Environmental Impact Statements.

20 Support for oil and gas development also comes  
21 from people in areas closest to the planned activities.

22 Many jobs, probably in the range of thousands,  
23 could be created by OCS development. Jobs in  
24 construction, drilling, producing, the operating and  
25 maintenance of oil and gas treating and shipping

1 facilities, pipelines and transportation of energy  
2 products to the markets where they are needed. And the  
3 infrastructure to support all of these operations.

4 Many of these jobs will be long-term and some  
5 will last an entire working career. Most can be filled  
6 by people from the local areas where development takes  
7 place. America needs to be more self-sufficient in  
8 energy. And the development of the proposed lease sale  
9 areas will move us closer to that goal. And it can be  
10 and will be done in a safe and environmentally sound  
11 manner.

12 MR. KING: Thank you, sir. Any questions?  
13 Let's see if I do any better on this. Larry Porter.

14 MR. PORTER: Close enough. My name is Larry,  
15 L-A-R-R-Y, Porter, P-O-R-T-E-R. I'm here representing  
16 myself. I've spent 31 years in the oil industry. I ran  
17 the Kenai LNG Plant for many of those 31 years. I'm a  
18 life long Alaskan, third generation, actually. And I'm  
19 here in support of the offshore leasing.

20 The United States needs oil. There's no doubt  
21 about this. Unfortunately, many countries at this time  
22 would like to see us run out of oil. Iran, Venezuela are  
23 very significant oil producers. Both of their presidents  
24 have said that they would like to see the deliveries to  
25 the U.S. stopped. These leaders have said this on the

1 world stage. And I'm sure everyone here has heard this.

2 The need for our country to become more  
3 self-sufficient is critical. We have many untapped  
4 reserves offshore, the Gulf of Mexico, Alaska's Bristol  
5 Bay, the Beaufort Sea, the Chukchi Sea.

6 Unless we explore these, we could and most  
7 likely will become held hostage by other nations as we  
8 were back in -- starting in October 1973.

9 Currently my son is fighting the war on terror  
10 in Baghdad. And I don't want to see him go back  
11 somewhere else and fight for oil. The days of the  
12 wildcater are over. They don't go through -- you know,  
13 we don't have them going through cutting wide swaths  
14 through the environment.

15 The major U.S. oil companies are responsible  
16 partners in making this country great. The U.S.  
17 corporations want to work responsibly and they do daily.  
18 Granted, we need to find other energy resources, or  
19 alternative energy. Oil is not unlimited, but in the  
20 meantime we need to explore oil off of our own shores so  
21 that we are not going to be held hostage.

22 In conclusion, I support the revenue sharing of  
23 the offshore leases. And I support the draft of the  
24 environmental impact.

25 For 31 years, Phillips in Kenai, ran an

1 operation. And when we produced the wastewater it was  
2 actually cleaner than Cook Inlet's water. It can be done  
3 with today's technology. Thank you very much.

4 MR. KING: Any questions? Thank you very much.  
5 Cody Mishler?

6 MR. MISCHLER: For the record, my name is Cody,  
7 Mishler, C-O-D-Y, M-I-S-H-L-E-R. And I'm here today  
8 representing myself. I'm here to express my support for  
9 the expanded offshore leasing during the five-year plan.  
10 I live on the Kenai Peninsula. And have the privilege of  
11 today working in the oil field for over 20 years. I have  
12 witnessed the good it has done for the community that I  
13 live in, and the environmental responsibility that it has  
14 stepped up to. And I would like to see the same good  
15 come to other areas in the state for the lease period.  
16 And thank you very much.

17 MR. KING: Any questions? Thank you. Rick  
18 Fox?

19 MR. FOX: Good afternoon. My name is Rick Fox.  
20 I'm the manager -- I manage Shell's presence here in  
21 Alaska. First off, I really want to emphasize the  
22 importance, I believe, for this five-year plan and the  
23 process. It's very important to our nation's energy  
24 supply and to Alaska's energy. And not only that, it's  
25 important to Shell and our economy as well.

1           Shell believes that Alaska holds significant  
2     and untapped oil and gas potential. And much of that  
3     potential is in the Outer Continental Shelf.

4           Beaufort Sea, where we hold 103 leases at this  
5     time, the Chukchi Sea where we recently conducted a 3-D  
6     seismic shoot, and the Bristol Bay area where we actually  
7     have acquired some state leases. We believe all these  
8     areas are crucial in the sustainable energy growth for  
9     America and Alaska. We are very pleased that they are  
10    included in the five-year plan. We're also happy about  
11    the Gulf of Mexico and Atlantic leases that are included.

12           I want to share with you Shell's commitment to  
13    the people and the natural resources of Alaska. Shell  
14    has a long and proud legacy of our operations in offshore  
15    Alaska. In fact, we were the first company to drill in  
16    the Alaska OCS, and have been an active explorer in  
17    offshore Alaska for many years.

18           We drilled at Cook Inlet in the 1960s and the  
19    Gulf of Alaska in the '70s, the Bering Sea, the Beaufort  
20    Sea and the Chukchi Sea if you remember correctly. In  
21    fact, I was a part of those last three operations.

22           Shell made several potentially significant oil  
23    and gas discoveries that were not economic at that time.  
24    But with today's technology, and the current energy  
25    prices, we believe that these frontier resources are



1       commercially viable.

2               It is important to recognize that in exploring  
3       the Alaska OCS, Shell and the industry will be targeting  
4       known hydrocarbon discoveries in proven basins.

5               We use the best available technology, placing  
6       the safety of people and the protection of the  
7       environment as our highest priorities.

8               We are committed to operating excellence, and  
9       to maintaining long-term sustainable relationships with  
10      the state of Alaska, and its residents. And we strive to  
11      be good neighbors, and to be an advocate for Alaska.  
12      From a relatively new offices here in Anchorage, the  
13      small Shell team of professionals, mostly Alaska  
14      professionals, regularly crisscross this state engaging a  
15      wide variety of stakeholders to communicate and  
16      understand, and address local issues and concerns as we  
17      move forward.

18              We are committed to a program that provides  
19      local benefits to the communities. And we are already  
20      demonstrating that commitment by hiring and contracting  
21      local talent, both here in Anchorage, on the North Slope,  
22      and that's where we operate.

23              Shell also believe that federal revenues  
24      derived from the offshore oil and gas activities should  
25      be shared with the state and local communities. OCS

1 revenue sharing is important to ensuring continued  
2 sustainable development of domestic energy resources such  
3 as the untapped resources in the offshore regions here in  
4 Alaska.

5           We are committed proponents of revenue sharing  
6 because it is the fairest and best way for the federal  
7 government to acknowledge the contributions of states  
8 such as Alaska. The contributions those states make on  
9 behalf of the nation in meeting high energy needs. In  
10 short, we believe it is absolutely the right thing to do.  
11 This year, for the first time, the House and Senate in  
12 Washington moved towards some form of revenue sharing.  
13 But the passage of separate legislation, expanding energy  
14 access in the Outer Continental Shelf, this is a  
15 significant development.

16           Shell encourages lawmakers to reach a  
17 responsible agreement that is mindful of Alaska's energy  
18 contribution. We will continue to be a leader on the  
19 issue of revenue sharing, whether or not the House and  
20 Senate can agree on a bill that provides revenue sharing.

21           Finally, we encourage the MMS to move forward  
22 and to finalize the five-year plan, that includes the  
23 area in the proposed plan for the offshore basins, and  
24 elsewhere in the U.S. Continental Shelf.

25           I'm very supportive of the conclusions of the

1 Draft Environmental Statement that states that  
2 responsible development of the OCS can occur without harm  
3 to the environment or to the people. And we will  
4 continue to engage local citizens and work to help  
5 ensure, with their help, that their lives will improve as  
6 a result of oil and gas activities in offshore Alaska.  
7 Thank you very much.

8 MR. KING: Thank you very much. Rick Steiner.

9 MR. STEINER: You have two Ricks in a row, but  
10 with dramatically different comments perhaps. I'm Rick  
11 Steiner. I'm a professor at the University of Alaska  
12 Marine Advisory Program.

13 A few inadequacies that I see in the DEIS, some  
14 of which I consider fatal. First of all, a broader  
15 comment than the statement itself. And that is, it seems  
16 to me the public process -- this sort of process is  
17 necessary, but not sufficient to fully engage the public  
18 in this issue. These are huge decisions that will affect  
19 Alaska and the nation for decades to come. And quite  
20 frankly, when you get volumes and volumes and volumes of  
21 these documents, it's very difficult for people -- the  
22 lay public -- to look at them.

23 I proposed last January to President Bush and  
24 to the Department of Interior, that they establish an  
25 Alaska OCS advisory council modeled on the RCAC model

1       that Oppenheim set up in Prince William Sound and Cook  
2       Inlet, to sort of shift the balance to something a little  
3       more fair with the Alaska Native community, the  
4       commercial fishermen, the conservation community, the  
5       scientific community, could have a legitimate seat at the  
6       table. So I'll just submit these letters, as well as  
7       documents there as well.

8               Next, the Alaska OCS is more than an energy  
9       reserve. It is certainly the most productive marine  
10      ecosystem in the nation. And one of the most in the  
11      world. And it's one of the most physically difficult  
12      places to work anywhere in the world and certainly in the  
13      nation. So the risks here for offshore oil and gas could  
14      not be higher. And the Draft Environmental Impact  
15      Statement does not adequately address the severity of  
16      this risk, in my opinion.

17             I think to the nation, the ecosystem here is  
18      far more important than the amount of oil and gas that  
19      could be recovered here, quite honestly. It's certainly  
20      my perspective.

21             Numerous deficiencies. First of all, the  
22      cumulative impact section of this, I think is inadequate.  
23      We could talk about that for hours. I don't have that  
24      amount of time, so I won't. The document tends to  
25      overstate benefits and understate risks in general.

1       That's sort of the general statement of the approach.

2               The next -- it underestimates oil spill risks  
3       and impact. These are low probability, but high  
4       consequence events, such as the Exxon Valdez oil spill.

5               It doesn't accurately address the possibility  
6       of such an event happening on the OCS, or what the  
7       impacts would be. It does cite adequate Exxon Valdez oil  
8       spill; data from several hundred millions of dollars  
9       worth of government sponsored research that has been done  
10      on the oil spill, particularly the longevity of impact  
11      here, 18 years later, and most of the injured populations  
12      have not recovered in Prince William Sound. So it does  
13      not use that as a way to fully understand what the  
14      potential risks of large catastrophic spills could be on  
15      the OCS.

16              A few statements, just as examples, in the  
17      North Aleutian Basin, the document says there's no  
18      conclusive evidence that oil spills can cause a decline  
19      in prey species sufficient to result in a decline of any  
20      marine mammal population. Simply not true. It happened  
21      in Prince William Sound with herring and harbor seals.

22              It says that exposure to spilled oil would be  
23      temporary and likely affect only a few individuals --  
24      talking about marine mammals. Go to the EVOS research;  
25      that is simply, again, not necessarily the case. It says

1 spills are not expected to affect the humpback, say fin,  
2 North Pacific right whales, the beaked whales or the  
3 Northern fur, ringed and bearded seals. This is North  
4 Aleutian Basin again.

5 That's an absurd statement, with all respect.  
6 Humpbacks and North Pacific right whales feed at the  
7 surface. Right whales are skim feeders. And if there is  
8 an oil spill, these large cetaceans are going to be  
9 nailed by it. Their population, as we know, is only  
10 maybe a hundred. So they cannot afford to lose a number  
11 of animals.

12 Lastly, another example, collisions would be  
13 relatively unlikely it says. That may be true, but if  
14 you lose one or two large, for instance, female North  
15 Pacific right whales you could -- the populations  
16 estimate suggests that you could have extinction of that  
17 species -- subspecies.

18 Two more quick things. The threatening  
19 endangered species treatment in the document, I think is  
20 inadequate, particularly in the North Aleutian Basin.  
21 There's critical habitat for stellar's eiders, sea lions,  
22 North Pacific right whales, there's also sea otters which  
23 are threatened in the region. Sea lions are endangered;  
24 short-tailed albatross, humpback and fin whales are  
25 there. And I don't think the DEIS adequately addresses

1     how the proposed action would avoid disturbance and takes  
2     in many of those critical habitat areas. I can't see the  
3     two going together.

4             And I was on a expert panel with IUCN and Shell  
5     off the Sakhalin Coast looking at this issue with another  
6     critically endangered, whale the Ocos gray whale. And  
7     there were some very difficult problems there that we  
8     encountered.

9             Lastly, the seismic survey impacts were  
10    inadequately addressed. I would suggest that the  
11    government federalize all seismic operations on the  
12    entire national OCS; that is, the federal government  
13    contracts the seismic vessels to go shoot the seismic  
14    line, then the data is public.

15            There's two advantages to that. One is there's  
16    one boat out there shooting seismic sound into the water,  
17    into the environment, not four. So it limits the  
18    environmental impact of oil exploration activities. And  
19    most importantly -- well, as importantly, the public then  
20    knows what resources they have to lease. Right now it's  
21    a pretty proprietary situation. And the public is really  
22    selling resources without knowing really what they're  
23    selling. So that could be changed if the federal  
24    government would take over this process. Then we would  
25    have less vessels shooting seismic lines.

1           Lastly, on seismic, I think the 120 decibel  
2   threshold, that the document did mention that there are  
3   no threshold criteria set in there for seismic  
4   allowances. And we ought to establish such that 120  
5   decibels we know affects large cetaceans, disturbs them,  
6   keeps them -- causes behavioral responses. That's the  
7   effective management level, and it ought be codified in  
8   stone in some documents somewhere.

9           And we could see the problems we're already  
10   having in the Arctic with that issue, with the Conoco  
11   lawsuit against the federal government there.

12           I guess, to close, although there's a lot of  
13   support for the plan, and the statement as such in here,  
14   I have little confidence that these operations can go  
15   ahead safely. In the Alaska OCS, I think the ecosystem  
16   is far more valuable as it is intact. And I'm having  
17   less and less confidence in our federal government in  
18   managing this whole thing effectively. So that, again,  
19   underscores the need for a legitimate citizen's advisory  
20   capability with the Alaska OCS. That's it. Thank you.

21           MR. KING: Any questions? Stanley Mack. We'll  
22   let them move the chair around before you start talking  
23   too much and that way we won't interrupt you.

24           MR. MACK: Thank you. My name is Stanley Mack,  
25   S-T-A-N-L-E-Y, M-A-C-K. Thank you for this opportunity



1 to provide comments on the important topic of Outer  
2 Continental Shelf oil and gas leasing offshore of our  
3 communities.

4 I'm the mayor of the Aleutian East Borough;  
5 also, a subsistence and a commercial fisherman. For  
6 those of you who might not be familiar with the Aleutian  
7 East Borough, we are a municipal government formed in  
8 1987, with the authority over more than 15,000 square  
9 miles of land and water located on the Alaska Peninsula  
10 and the adjacent islands.

11 The Aleutian East Borough communities include  
12 Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon  
13 and Sand Point. We're here today to discuss whether it's  
14 a good idea to conduct oil and gas leasing offshore of  
15 Alaska. More specifically, to my own area of concern.

16 I'm here to testify today because MMS has  
17 proposed to lease land in federal waters three miles off  
18 our shores -- off the shores of our community. More  
19 specifically, MMS has proposed to reopen the area called  
20 Lease Sale 92, which is an offshore area in the Bering  
21 Sea that extends from Port Moller, past Nelson Lagoon, to  
22 Cold Bay, southwest to Unimak Island.

23 This area was last put up for lease by the  
24 federal government in 1988. Well, the short answer is  
25 the Aleutian East Borough, after much public input and

1 debate has decided to support MMS' proposed offshore  
2 leasing program in the North Aleutian Basin.

3 But the long answers requires you to understand  
4 our communities is a bit more.

5 For those of you who have been lucky to travel  
6 to my homeland, you quickly find out that commercial  
7 fishing is the backbone of our economic -- economy, and  
8 an integral part of our culture and heritage.

9 In the last five years crab, salmon, and bottom  
10 fish resources averaged over \$130 million in our area.  
11 We harvest over 633 million pounds of crab, salmon, and  
12 bottom fish, mostly from the Bering Sea.

13 Therefore you can see how important it is for  
14 our economy and livelihood that oil and gas development  
15 be done right in the Bering Sea.

16 The Mineral Management Services recently  
17 completed an extensive analysis of the North Aleutian  
18 Basin which concluded that there may be as much as \$7.7  
19 billion worth of clean energy available in the federal  
20 waters right off our communities -- coastline.

21 MMS predicts that exploration companies will  
22 most likely encounter natural gas, which could be  
23 recovered at a low risk to the commercial fishing  
24 industry, our residents and our environment.

25 Natural gas could boost -- natural gas

1 development could give a boost to our local economy by  
2 providing jobs, and would also provide a much needed  
3 natural resource of energy.

4 On that basis, the Aleutian East Borough has  
5 supported oil and gas leasing of the Outer Continental  
6 Shelf in the North Aleutian Basin, but we have repeatedly  
7 given our support with very firm caveats.

8 First, maximum protection and priority must be  
9 given to fishery resources. Second, exploration and  
10 development must be conducted in an environmentally safe  
11 manner, including installation of the best available  
12 pollution control technology, and prevention measures of  
13 all aspects of the project design and operation.

14 Third, lease stipulations must included  
15 requiring oil and gas companies to provide employment  
16 training and business opportunities to the residents of  
17 the Aleutian East Borough.

18 Fourth, federal funding must be provided to  
19 study the effective protection of local fishery resources  
20 and environment and create an economic opportunity for  
21 the residents.

22 Fifth, the Aleutians East Borough and its  
23 residents must be given the opportunity for maximized  
24 involvement, including cooperating status for the borough  
25 and tribes within the borough.

1           Sixth, adequate lease stipulation must be added  
2     to mitigate any potential adverse social and  
3     environmental impacts. And last but not least OCS  
4     revenue sharing should be made available to the entire  
5     area to compensate for the risk and share the benefits of  
6     the leasing program.

7           We have also made it clear that the AEB  
8     reserves the right to withdraw support for oil and gas  
9     leasing in the North Aleutian Basin during the five-year  
10    plan period of 2007-2012 EIS, and lease and sale process,  
11    if the requirements listed are not met by the state and  
12    federal government. We have completed a detailed review  
13    of the MMS proposed five-year plan and will be submitting  
14    more extensive comments in writing to the MMS.

15           We are also currently reviewing the five-year  
16    program environmental impact statement. It's a very  
17    lengthy document and warrants careful consideration and  
18    review. We will also be submitting detailed comments on  
19    the analysis of the MMS.

20           In closing, I want to extend my personal  
21    appreciation to MMS for keeping the Aleutian East Borough  
22    informed all along this process. And for providing many  
23    information sessions, and lots of technical information.  
24    I believe, it will be through continued cooperation and  
25    dialog that we will be able to develop a solution that

1 works for all parties involved. Thank you for the  
2 opportunity to testify.

3 MR. KING: Thank you. And thank you for  
4 coming. Chuck Becker?

5 MR. BECKER: My name is Chuck Becker. I'm a  
6 26-year resident of Alaska. And I'm here representing  
7 myself. I support expansion of lease sales on the Outer  
8 Continental Shelf, especially in the North Aleutian Basin  
9 and the Chukchi Sea and Beaufort Sea, for the planning  
10 period of 2007-2012.

11 Why? Allow me to explain. Imports of crude  
12 oil and refined products in 2005 came to over 13 million  
13 barrels a day, 60 percent of the energy needs of our  
14 country. In May of this year imports hit 63 percent of  
15 need. Those imports amounted to over \$50 billion, the  
16 largest single element of our trade deficit. Where did  
17 our imports come from? Saudi Arabia, Venezuela, Nigeria,  
18 Algeria, Indonesia and others.

19 The Wahabis of Saudi Arabia smile all the way  
20 to the bank as they send money to Islamic militants  
21 seeking to re-establish the Caliphate who use it to buy  
22 more explosives and weaponry to kill our sons and  
23 daughters in Iraq and Afghanistan.

24 Hugo Chavez lies awake nights trying to plan  
25 new strategies for undermining our country with his petro

1       dollars. At \$50,000 each, just a rough figure, our  
2       country loses one million jobs to these friends of the  
3       United States.

4               Senator Richard Lugar recently said that energy  
5       is the albatross of the U.S. national security. That  
6       there's not a full appreciation of our economic  
7       vulnerability or the competition that's already occurring  
8       throughout the world. And that oil will become an even  
9       stronger magnet for conflict and threats of military  
10      action than it already is.

11             Geology and politics have developed petro  
12      superpowers that nearly monopolize the world's oil  
13      supply. Foreign governments control up to 77 percent of  
14      the world's oil reserves through their national oil  
15      companies.

16             These governments set prices through their  
17      investment and production decisions, and they have wide  
18      latitude to shut off the taps for political reasons.

19             Americans paid 17 percent more for energy in  
20      2005 than in the previous year. That increase accounted  
21      to 40 percent increase of the rise in the consumer price  
22      index.

23             Allowing access to oil and gas reservoirs  
24      wherever they might be in Alaska and in America will  
25      create jobs and help strengthen our national security.

1 Thank you.

2 MR. KING: Thank you. Thank you for coming.

3 Mark Hopkins.

4 MR. HOPKINS: My name is Mark Hopkin. I'm  
5 testifying for myself -- that's H-O-P-K-I-N. I'm here to  
6 voice my support in favor of adding these lease sales to  
7 the five-year plan.

8 I am a father of four young daughters. I'm  
9 interested in seeing them have an Alaska that has a  
10 viable economy, and a United States that is safe, and  
11 that is not held hostage by foreign oil, and the types of  
12 governments that control most of the oil.

13 Also, as a person who appreciates the  
14 environment, I feel that it's silly to keep oil companies  
15 and oil exploration from happening in places where it's  
16 done under the watchful eye of people who are  
17 responsible, and who care about these things. And to  
18 send them to places where a dictator at a whim can  
19 overtake things, and light things on fire, start wars, do  
20 whatever.

21 It's much more responsible for the environment,  
22 I feel, to do things in a place where there's a  
23 responsible government and careful oversight. For that  
24 reason, I am greatly in favor of expanding the  
25 opportunities to explore in the OCS, and put my vote in

1 favor of doing that. Thanks.

2 MR. KING: Thank you, Karl, P-O-M-M-A-N.

3 MR. PORTMAN: Good afternoon. I'm Karl

4 Portman, P-O-R-T-M-A-N.

5 MR. KING: I kind of blew that one, didn't I?

6 MR. PORTMAN: Close, close. I'm the deputy  
7 director of the Resource Development Council, RDC. And  
8 we appreciate the opportunity to submit verbal remarks  
9 today on the proposed Outer Continental Shelf oil and gas  
10 leasing program for 2007-2012.

11 Given the fact that Alaska's extensive coast  
12 line, more than half of all the contiguous lower 48  
13 states combined, has potential for oil and gas  
14 discoveries. And that's high potential. The proposed  
15 five-year program is of much interest to RDC.

16 RDC is a statewide organization made up of all  
17 resource sectors; business associations, labor unions,  
18 Native corporations, tourism providers, local governments  
19 and individuals.

20 RDC's purpose is to encourage a stronger  
21 diversified private sector in Alaska and expand the  
22 state's economic base through responsible resource  
23 development.

24 RDC supports increased access to the American  
25 OCS in the proposed lease sale schedule for Alaska.



1 While we strongly support the proposed schedule, any  
2 leasing plan should consider conflict avoidance measures  
3 to minimize impacts to other resource industries and  
4 subsistence harvesters. Reasonable stipulations to  
5 protect scientifically verified, environmentally  
6 sensitive areas, should be incorporated in the plan.

7 The oil and gas industry in Alaska and  
8 elsewhere has proven its ability to produce energy in an  
9 environmentally safe and efficient manner. OCS  
10 development has an outstanding safety and environmental  
11 record spanning decades.

12 Development has co-existed with other  
13 industries, including fishing in the North Sea, the Gulf  
14 of Mexico, and right here in Cook Inlet.

15 The National Academy of Science recently  
16 determined that less than 1 percent of all oil entering  
17 the seas is from drilling and exploration activities.

18 RDC encourages the Mineral Management Service  
19 to include revenue sharing with states and local  
20 communities in its leasing plan. Areas most directly  
21 affected by oil and gas development should be allocated  
22 its share of the government revenues it generates.

23 It is absolutely essential that the Mineral  
24 Management Service expand access to federal waters in the  
25 Lower 48 and Alaska, otherwise, industry will be forced

1 to produce in existing mature areas where production is  
2 peaking and where supplies are declining.

3 As you have heard, Alaska contains -- Alaska's  
4 offshore contains vast reserves of oil and gas. Expanded  
5 access to Alaska's offshore, in an efficient and  
6 environmentally sensitive way could significantly improve  
7 the nation's domestic energy situation, and provide  
8 economic stimulus for coastal communities and the state.

9 Given the long lead times for development,  
10 which can exceed 10 years, the Minerals Management  
11 Service should proceed expeditiously with the proposed  
12 lease sale in the 2007 -- I should say the proposed lease  
13 sales in the 2007 to 2012 plan. Otherwise, production  
14 from new areas could be pushed back well beyond 2020.

15 Meanwhile, America's energy situation is  
16 growing more desperate, and a growing portion of this  
17 domestic energy production is centered in the deep water  
18 Gulf of Mexico, an area with high exposure to dangerous  
19 hurricanes and where the potential is high for supply  
20 disruptions.

21 Some 85 percent of the American OCS is  
22 currently off limits to energy production. These  
23 offshore areas were established 24 years ago under an  
24 entirely different energy picture than exists today. For  
25 the sake of America's economy and energy security, it is

1 imperative that the U.S. reverse this policy and  
2 geographically diversify its energy supplies.

3 In conclusion, some insist that conservation,  
4 and alternative energy sources are a better choice to new  
5 oil and gas activities offshore. While we agree, America  
6 must advance its effort toward conservation and  
7 alternatives, the transition period to new sources of  
8 energy will be lengthy.

9 In the meantime, the U.S. has no choice but to  
10 boost conventional energy production, both offshore and  
11 onshore. It is not an either/or situation, but a  
12 three-legged stool supported by conventional energy  
13 production, stronger conservation measures, and an  
14 eventual transition to alternative sources as they become  
15 more technically and economically feasible.

16 RDC will submit more detailed comments before  
17 the deadline. And we thank you again for the opportunity  
18 to comment today.

19 MR. KING: Thank you. Marilyn Crockett.

20 MS. CROCKETT: Good evening. My name is  
21 Marilyn Crockett, C-R-O-C-K-E-T-T. I'm a 41-year  
22 resident of Alaska. And I'm here today in my capacity as  
23 the deputy director of the Alaska Oil and Gas  
24 Association.

25 As you know, AOGA is a private non-profit trade

1       association. And our members account for the majority of  
2       oil and gas exploration, production, transportation,  
3       refining and marketing activities in Alaska. We're here  
4       this evening to present our strong support for the  
5       proposed leasing program.

6               Because Alaska has the most extensive coast  
7       line in the U.S. and contains 15 of the OCS planning  
8       areas, we have a very high interest in energy development  
9       from the domestic offshore. And we take particular  
10      interest in the proposed 2007-2012 program. Four of  
11      these planning areas, Beaufort Sea, Chukchi, Cook Inlet  
12      and the North Aleutian Basin are in this plan.

13             Nationwide, federal offshore waters hold the  
14      greatest potential for finding new energy sources and  
15      bringing them to market in the next 5 to 10 years.  
16      Alaska's federal offshore waters are some of the most  
17      important potential future sources.

18             According to the MMS, Alaska offshore waters  
19      contain undiscovered reserves, estimated at 27 billion  
20      barrels of oil and 132 trillion cubic foot of natural  
21      gas, 31 percent of a nation's offshore waters.

22             Production and infrastructure are already in  
23      place in the Beaufort Sea and regular lease sales are  
24      being held. MMS estimates that the Chukchi Sea is the  
25      most promising and materially undeveloped U.S. offshore

1     petroleum basin. And that Bristol Bay potentially  
2     contains 23 trillion cubic feet of natural gas.

3             If the nation is going to expand its domestic  
4     production in federal offshore waters, we need access to  
5     these new areas that have been previously unavailable.

6             We urge MMS to expand the offshore acreage  
7     offered for lease, and to include the key acreage  
8     offshore Alaska in the final plan. These areas,  
9     obviously, should include the Chukchi Sea and Bristol  
10    Bay, along with the continued leasing in the Beaufort  
11    Sea.

12            AOGA will be submitting detailed comments on  
13    the proposed plan and the Draft Environmental Impact  
14    Statement prior to the deadline in November.

15            We appreciate the chance to make brief comments  
16    at this evening's hearing. Thank you.

17            MR. KING: Thank you. James Gilbert?

18            MR. GILBERT: My name is James Gilbert. And  
19    I'm here to complete my commercial real estate exam.

20            MR. KING: We can handle it.

21            MR. GILBERT: Okay. I just wanted to make sure  
22    you was awake. As I said, my name is James Gilbert,  
23    G-I-L-B-E-R-T.

24            I support the expanded leasing on the U.S.  
25    Outer Continental Shelf during the five-year period

1       mentioned. Allowing access will significantly reduce  
2       U.S. reliance on imports, improve domestic energy,  
3       security, diversify supply, stimulate economic  
4       development, and generate local, state and federal  
5       revenues.

6               I also support the conclusions contained in the  
7       Draft EIS statement, and request that MMS properly  
8       consider those areas where offshore production already  
9       exists. The Cook Inlet, for one, which has a thriving  
10      salmon population, and as well as adjacent to Kachemak  
11      Bay, which has a thriving shellfish population that's  
12      being commercially produced. The Gulf of Mexico with  
13      something over 15,000 platforms in production and coexist  
14      with a thriving shellfish population, shrimp and oysters,  
15      and an extensive sea life populations, red fish, and  
16      flounder and trout, which are all commercially harvested  
17      in that area.

18             Offshore in the Gulf of Mexico, in the deep  
19      water platforms, whales are commonly seen. There's --  
20      you know, there's no visible impact to large mammals that  
21      roam in that area. And I've even seen video footage of  
22      the whales exploring the undersea pipelines, swimming  
23      alongside of them and looking at them just to see what  
24      they are, I guess. Who can tell what a whale thinks.

25             Thank you very much for your time. I

1 appreciate it. I'd like to leave some written comments  
2 with you if I could.

3 MR. KING: That will be fine. Thank you. Dana  
4 Olson.

5 MS. OLSON: Hi, my name is Dana Olson. And one  
6 of the most important things about this DEIS is that the  
7 Outer Continental Shelf requires that it be consistent to  
8 the maximum extent to a state's coastal management  
9 program. And I'm here to object to the EIS on the basis  
10 that there is no consistency.

11 I have been a frequent litigator on this issue.  
12 And it was rather humorous for you to mention something  
13 about land use. Because the main head agency in our  
14 state's coastal management program is a land use agency.  
15 Now how can they address the recent changes to the  
16 National Marine Fishery? They can't.

17 So, you know, I see a lot of problems. I'm not  
18 here to be disagreeable. But let me explain some of the  
19 things that I see wrong with this program.

20 The -- whether oil and gas is renewable has  
21 been a debate, a national debate that has been ongoing.  
22 And, you know, you just haven't made a decision on that  
23 yet. It seems that there are valid scientific concerns  
24 that the earth may, in fact, make oil and gas. And that  
25 it's the earth's mantle. It's been on national radio.

1       It's been well talked about. So it seems that -- a  
2       little, you know, inconsistent for you to have not, you  
3       know, addressed a national concern.

4               One of the problems I find is that the state is  
5       busy with changing their administrative code, addressing  
6       the Human Rights Commission on whether they want to hear  
7       an issue. I think that this is terrible. I also think  
8       it's terrible for them to decide when something is final.  
9       And I think this would potentially stall a lot of claims  
10      and things that -- based on that fact that you are aware  
11      of it.

12             I have it judicially noticed that there's no  
13      administrative notice in Alaska. There's no means to  
14      record it. So when people object to something there's no  
15      recording of it. People are denied appeals with various  
16      agencies. You don't know about it. There's no  
17      governmental coordination whatsoever. And the use of  
18      foreseeability in the state as an environmental standard  
19      with a thousand years statute of limitation -- I'm  
20      ashamed of everyone who came and testified on that  
21      because, you know what, if we use that foreseeability  
22      standard, the same foreseeability standard that was used  
23      on Miller's Reach, just go in and say, well, gee, it  
24      wasn't foreseeable.

25             So I did something. I took it upon myself to



1 address the Alaska Legislature when they decided to  
2 address disaster preparedness. It seems that it was a  
3 closed hearing. So I was a little more ingenuitive  
4 (phonetic). I faxed them something down ahead of time.  
5 And it seems that they want to wait seven days before  
6 they call any assistance.

7 Now seven days is way -- I said, "What are you  
8 trying to do, flood people, burn people, whatever, out,  
9 before you send in or notify anyone?" So I'm just going  
10 to have to object to disaster preparedness, industry  
11 preparedness. It's not adequate.

12 Next we turn to technology. I really like to  
13 know about technology. And so I spend a lot of time  
14 trying to be informed. And one of the things I found was  
15 that all of the technical assessments are always  
16 proprietary. They're never compared to anybody else's  
17 uses because everyone else's uses has no value under this  
18 system of comparison.

19 This violates the Federal Administrative Code  
20 outright. Because there is no comparable basis when you  
21 go in and you only use a proprietary interest.

22 Some of my other issues -- let's see -- were  
23 the Alaska marketplace.

24 MR. KING: Can you wrap it up in about a  
25 minute, please?

1                   MS. OLSON: The Alaska marketplace is a -- was  
2 recognized by the World Bank as a means for Natives to  
3 create economic incentives by collecting and creating  
4 businesses. And so it would seem to me that all this  
5 money that has gone into this program through the World  
6 Bank, that you've gone in and tried to use revenue  
7 sharing as a basis for not addressing Native concerns.  
8 And I'm going to have to object. I do live in a Native  
9 community of Knik.

10                   And I think that the environmental assessment  
11 needs to be not in a unit. It seems that we do  
12 assessments in unit. So your NEPA and your environmental  
13 assessments are inadequate.

14                   So I would have to wrap up by saying that I  
15 believe that until some of the issues such as no state  
16 definition of trespass, the issue of revenue sharing --  
17 you know, we had had revenue sharing in Miller's Reach,  
18 and it didn't help because they weren't adequately  
19 prepared. It's not adequate. And the public process  
20 supported by the professor from the university, I believe  
21 that you need to understand that the issue of finality  
22 and appeal process and administrative code keeps changing  
23 to the point that public notice is inadequate. And you  
24 don't see the public coming here because nobody knows  
25 about it. Thank you.

1           MR. KING: Thank you. Jesse Mohrbacher. Am I  
2 close? Okay. We'll come back. Oh, here he comes. You  
3 were cramming for your real estate test?

4           MR. MOHRBACHER: Absolutely. Thank you for the  
5 opportunity to come. My name is Jesse Mohrbacher,  
6 M-O-H-R-B-A-C-H-E-R. And I've lived and worked in Alaska  
7 since 1989, and Alaska is my home. And besides myself, I  
8 represent two other companies here today, that being  
9 Fairweather and Marsh Creek. And both of those companies  
10 are involved in the local upstream oil and gas business.

11           Marsh Creek is also an Alaska Native  
12 Corporation, being majority owned by the Kaktovik Inupik  
13 Corporation. I'm here today to support the MMS plan for  
14 the proposed 2007 to 2012 five-year leasing plan.

15           The United States and Alaska needs the proposed  
16 leasing plan to move forward so that essential resources  
17 to our economy and our national interests can be  
18 developed in an environmentally sound and technically  
19 sound manner.

20           From a local prospective, Alaska needs a  
21 proposed plan to attract oil company interest in  
22 prospective areas and to help support a dynamic and  
23 vibrant support industry, and local employment.

24           Furthermore, I support potential future MMS or  
25 federal revenue sharing with local communities that are

1       affected by offshore oil and gas development.

2               With the proper balance of environmental  
3       safeguards and industry access to resources, we can  
4       provide long-term growth opportunities for our children  
5       and the future custodians of this great state.

6               Thank you for the opportunity to comment on the  
7       five-year plan.

8               MR. KING:   Thank you.   Any questions?   Thank  
9       you for coming.   Jason Brune, B-U-R -- we'll let you  
10      spell it out.   We won't blow it.

11              MR. BRUNE:   My name is Jason Brune, B-R-U-N-E.  
12      And for the record, I'm here representing myself.   I'd  
13      like to thank you for the opportunity to comment today.  
14      A little background, I'm a biologist, an environmental  
15      scientist, a member of the Exxon Valdez Oil Spill Public  
16      Advisory Committee and their lingering oil committee.

17              In my cursory review of the Draft Environmental  
18      Impact Statement, I have complete confidence that oil and  
19      gas leasing can co-exist with -- in the Chukchi,  
20      Beaufort, Cook Inlet and North Aleutian Basin in Alaska.  
21      And I would encourage you to move forward.   And I support  
22      the conclusions of the Draft Environmental Impact  
23      Statement.

24              My wife works for Alyeska Pipeline.   And I'm  
25      amazed at the focus on the environment, and on safety

1       that is placed in Alaska. It's second to none in the  
2       world. And that's where I get a lot of that confidence.  
3       I'm intimately aware of what happens in Alaska's oil and  
4       gas sector. And I'm incredibly impressed every day.

5               I see the impact that it could have on Alaska's  
6       economy, especially in rural Alaska. They are so in need  
7       of economic diversification, especially in rural Alaska,  
8       that opportunities that oil and gas leasing could bring  
9       would just be enormous for these people.

10              I also see the -- and am a bit interested in  
11       some of those that do oppose the oil and gas leasing.  
12       The clothing that they wear, the cars that they drive,  
13       the houses that they live in that are heated, are all  
14       created by petroleum products. And we rely on them. And  
15       I think getting it from America, diversifying our energy  
16       supplies to get them from America, and the impact that it  
17       can have on the economy is incredibly important. I also  
18       think, given Katrina and the events like that from last  
19       year, diversifying the domestic supply is very important.  
20       Having just our focus on the Gulf of Mexico is not wise.  
21       So bringing in those basins in Alaska I think would be a  
22       very, very wise move.

23              So in conclusion, I support the conclusions of  
24       the Draft Environmental Statement. And thanks for the  
25       opportunity to comment.

1                   MR. KING: Thank you. Pete Woodson, please.

2                   We apparently goofed up.

3                   MR. WOODSON: I think you passed me over.

4                   MR. KING: Well, that could be. I'm sorry for  
5                   that.

6                   MR. WOODSON: It's quite all right. My name is  
7                   Pete Woodson, W-O-O-D-S-O-N. Initials are ML. I have  
8                   spent 36 years working in the oil industry. And I've  
9                   been retired now for 16 years. I spent over half of my  
10                  time in the oil industry in Alaska. And I came up here  
11                  in 1962. And I worked in the Cook Inlet during World War  
12                  II, and we drilled a discovery well in Cook Inlet in 1963  
13                  in Middle Ground Shell.

14                 So I've got pretty extensive experience in Cook  
15                  Inlet. And also on the North Slope and the Beaufort Sea.  
16                  I am here to encourage you to adopt the proposed  
17                  five-year lease sale plan as the permanent plan. And to  
18                  encourage you also to include the four sale areas that  
19                  are in the proposed plan, namely the Chukchi Sea, and the  
20                  Beaufort, and the North Aleutian and the Lower Cook  
21                  Inlet.

22                 I believe -- I firmly believe that this is a  
23                  national interest as well as in the interest of the state  
24                  and the local communities.

25                 The oil industry has a proven track record

1     around the world as far as being able to operate with  
2     fisheries and other offshore industries in concert with  
3     these people, and particularly, in the Gulf of Mexico is  
4     a good example.

5             I realize that the MMS is not the forum to  
6     determine whether or not revenue sharing takes place.  
7     But I firmly believe that revenue sharing is a good  
8     thing, and that the local communities and the state  
9     should share in the revenues of offshore leases.

10            Even without revenue sharing though, there has  
11    been or appears to be a growing support among the local  
12    communities for leasing, and for oil and gas activity in  
13    the OCS. And I would implore you to in all haste hold  
14    sales in these areas. And the employment that the  
15    offshore industry offers is the main thing that really  
16    should attract the communities.

17            And a good example is Cook Inlet. And Cook  
18    Inlet, the platforms are now employing second and even  
19    some third generation people. And the oil industry has a  
20    lot to offer. The villages along the Beaufort Sea and  
21    the Chukchi and particularly in the North Aleutian area,  
22    in the way of permanent stable employment.

23            And I thank you for the opportunity to testify.

24            MR. KING: Thank you for coming up from Kenai.

25            Tom Hendrix?

1                   MR. HENDRIX: For the record, it's  
2     H-E-N-D-R-I-X. Thank you for allowing me to make a  
3     statement on the Draft EIS for the proposed 5-year  
4     leasing plan for the Outer Continental Shelf.

5                   My name is Tom Hendrix. I'm a lifelong Alaskan  
6     and I work for Kuukpik Carlile, LLC. Kuukpik Carlile is  
7     a joint venture with Carlile Transportation, an Alaskan  
8     corporation, employing 425 Alaskans with quality jobs in  
9     the Kuukpik Corporation from the Native Village in  
10    Nuiqsut on the Colville River with around 350 residents.

11                  Our partners are subsistence hunters and  
12    whalers harvesting in the region. Our position is that  
13    responsible development of the resources, while  
14    considering the protection of the environment and the  
15    subsistence of the people, is a benefit to all.

16                  Development of the offshore resources provides  
17    quality jobs and opportunities for the residents of the  
18    North Slope close to home, and provides quality jobs for  
19    many Alaskans, Americans and our Canadian neighbors as  
20    well.

21                  Kuukpik Carlile, LLC and various other Kuukpik  
22    partner companies have participated with the producers on  
23    the North Slope for years and have found that the  
24    development, both on and offshore, can be done in an  
25    environmentally safe manner.



1           MR. KING: Thank you. Kelly -- we're debating  
2 whether it's H-A-R-R-E-L-L, or M-A-R-R-E-L-L.

3           MS. HARRELL: That is H-A-R-R-E-L-L.

4           MR. KING: Okay. I won that one then.

5           MS. HARRELL: Thanks. My name is Kelly  
6 Harrell. And I'm commenting today on behalf of the  
7 Alaska Marine Conservation Council.

8           The Alaska Marine Conservation Council is a  
9 community based organization dedicated to protecting the  
10 integrity of Alaska's marine ecosystems. Please accept  
11 these comments on behalf of our board, staff and nearly  
12 1,000 members to include commercial and sport fishermen,  
13 subsistence harvesters, and coastal residents throughout  
14 Alaska. These individuals and their families are  
15 culturally and economically dependent on a healthy marine  
16 and coastal environment. We also have many members that  
17 participate in Bristol Bay fisheries.

18           The AMCC is opposed to the inclusion of the  
19 North Aleutian Basin in the five-year OCS leasing  
20 program. We request that the President maintain the  
21 current withdrawal of Bristol Bay. And we also request  
22 that MMS respect the withdrawal which currently prohibits  
23 leasing until 2012, and abstain from scheduling any North  
24 Aleutian Basin lease sales in the 2007 to 2012 program.

25           The presidential withdrawal for Bristol Bay has

1       been in place since 1990. The purpose of the withdrawal  
2       has been to protect the near pristine coastal and marine  
3       ecosystems of the region, that are extremely important  
4       locally, statewide, nationally and even globally.

5               In 1995 when a settlement to buy back  
6       previously sold leases in the region was finally reached,  
7       the Department of the Interior referred to it as a  
8       landmark protection for fragile offshore resources.

9               Indeed the diversity and abundance of fish  
10      species and marine life in Bristol Bay is unmatched in  
11      the rest of the United States and in much of the world.  
12      I'm going to take a breath because I have a lot to say.

13              Bristol Bay is home to the world's largest runs  
14      of sockeye salmon, and over 450 species of fish and  
15      invertebrates. Among these many species are the fish  
16      that comprise the backbone of commercial fishing in  
17      Alaska. Groundfish, halibut, salmon, herring, red king  
18      crab, and tanner crab fisheries of the region are  
19      Alaska's most important renewable resource.

20              In Alaska there's a close relationship between  
21      the health of marine and coastal resources, and the  
22      health of coastal communities. In no other place in our  
23      nation is there the dependence on subsistence and  
24      fisheries resources that there is in our state.

25              This relationship is epitomized in the Bristol

1 Bay region. Local economies here are completely  
2 dependent upon commercial fisheries and subsistence.

3 Many people from outside of the region also  
4 descend on Bristol Bay during the summer to harvest the  
5 abundant fisheries resources here. The economic  
6 importance of these fisheries to Alaskans cannot be  
7 overstated.

8 AMCC requests that the EIS for the proposed  
9 program adequately reflect the importance of these  
10 fisheries, and the potential for offshore operations to  
11 have widespread, long-term impacts on the people and  
12 communities that depend on them.

13 We believe that this requires acknowledgement  
14 of potential impacts on fishermen and fishing families  
15 that live outside of the region, including in the  
16 Yukon-Kuskokwim Region, as well as in Homer, Kodiak,  
17 Anchorage, and Southeast, and elsewhere across the state.

18 Furthermore, given that, the Alaska Region and  
19 National Marine Fishery Service stated in comments in the  
20 draft proposed program, that with regards to the Chukchi  
21 and North Aleutian Basin, the proposed leasing scheduling  
22 is, "unrealistically ambitious, and will not allow for  
23 necessary environmental research to support NEPA analysis  
24 in MMS' leasing process.

25 MMS should respond to these comments in the

1 final EIS and include specific information on the  
2 available baseline ecological data for the Bristol Bay  
3 region.

4 AMCC also requests that MMS include analysis of  
5 potential impacts of chronic discharges of oil from  
6 pipelines and other sources on fish and marine mammals as  
7 well as their food sources.

8 The EIS should also analyze potential impacts  
9 of offshore operations in Bristol Bay, not just on  
10 fisheries themselves, but the ability to market fish from  
11 the region. Bristol Bay is in the process of forming a  
12 new regional seafood development association to promote  
13 and increase the value of Bristol Bay sockeye salmon.

14 Much of this value is dependent upon the  
15 perception that fish are harvested in near pristine  
16 regions. Even a small spill could damage this perception  
17 and could have a negative impact on marketing. The same  
18 marketing difficulties could apply to other species of  
19 fish harvested in the region.

20 MMS should analyze potential effects of  
21 offshore operations in general, not just spills on the  
22 ability to market fish from the region.

23 MMS should also analyze the potential loss of  
24 Marine Stewardship Council certification by the  
25 applicable fisheries from offshore operations.

1           On another note, in the 1985 final EIS for the  
2   North Aleutian Basin lease sale '92, MMS predicted major  
3   impacts to king crab populations in the region. This  
4   prediction is not reflected in the current Draft EIS,  
5   that states, routine operations will not result in  
6   detectable effects of overall populations on fisheries or  
7   resources.

8           If MMS currently believes that the formerly  
9   predicted major impacts for red king crab no longer  
10   apply, this should be detailed in the final EIS.

11           With regards to North Pacific right whale,  
12   science indicates that the remaining members of this  
13   cetacean species utilize the waters of the Southeast  
14   Bering Sea as their primary summer feeding ground.

15           This July NMFS designated critical habitat in  
16   the Gulf of Alaska and Southeast Bering Sea for the  
17   species. The map of right whale critical habitat that  
18   MMS has included in the DIS is not accurate, according to  
19   the designation of NMFS.

20           Here I have the map from the Draft EIS. And I  
21   also have the map from the NMFS' final critical habitat  
22   rule. As you can see, they're very different. I also  
23   have a map produced by AMCC, which analyzes the overlap  
24   of designated right whale critical habitat with the  
25   proposed lease sale area.

1           Our analysis shows that more than half, 56  
2     percent to be exact, of the right whale critical habitat  
3     in the Southeast Bering Sea overlaps with the proposed  
4     lease sale area.

5           AMCC believes that the potential for conflict  
6     between offshore oil and gas operations and right whale  
7     feeding activities is extremely high. The final EIS  
8     should analyze the potential impacts to this species in  
9     light of the proposed lease sale area overlapping the  
10    whales only known summertime feeding grounds.

11          With regards to the process of holding these  
12    public hearings, the AMCC believes that the manner in  
13    which MMS has gone about scheduling and notifying the  
14    public in Alaska does not comply with the Department of  
15    Interior regulations and guidelines, which urge DOI to  
16    hold public hearings in a manner which involves and  
17    informs members of potentially affected communities.

18          The hearing dates, times and locations could  
19    not be confirmed by MMS until September 20th, only five  
20    days before the first scheduled hearing in Unalaska.  
21    Furthermore, the actual federal register notice of the  
22    hearing was not published until September 26th, one day  
23    after the Unalaska hearing had occurred.

24          AMCC urges MMS to take measures in the future  
25    that allow for more adequate public participation in this

1 process by providing a longer period of notice,  
2 especially in communities which have potential to be  
3 affected by proposed leasing activities.

4 In closing, the oil and gas potential of  
5 Bristol Bay is extremely small, but the risks here are  
6 extremely high. OCS operations here will do very little  
7 to end our nation's dependence on fossil fuels.  
8 Conservation and renewable resources should be the focus  
9 of America's energy policy, not drilling in sensitive  
10 areas like Bristol Bay. Thank you.

11 MR. KING: Thank you. Shelly Johnson?

12 MS. JOHNSON: Thank you for giving me this  
13 opportunity to provide comments. My name is Shelly  
14 Johnson. I'm here representing the Alaska Oceans  
15 Program. We hosted some public -- Outer Continental  
16 Shelf public forums in the past and in light of this  
17 five-year plan.

18 I'm here just to once again say the same thing  
19 commonly and consistently voiced, Bristol Bay should be  
20 removed from the five-year plan, respecting and  
21 maintaining the presidential withdrawal.

22 The short-term gains that Bristol Bay OCS  
23 development would provide are not worth the risk and  
24 jeopardizing the importance that economic fisheries  
25 marine habitat that coastal communities in the region,

1       and our state as a whole, rely on.

2               In regards to the Beaufort and Chukchi Sea  
3       plans, until further analysis shows that there will be no  
4       negative impacts on the bowhead whale migration and other  
5       important marine mammals dependent on longevity of the  
6       ecosystem, MMS should not schedule any of these sales in  
7       these proposed areas.

8               Finally, I would also like to underscore Rick  
9       Steiner's earlier recommendation of establishing an  
10       Alaska OCS advisory council to properly represent  
11       Alaska's diverse population and user groups. Thank you  
12       for giving me this opportunity.

13              MR. KING: Thank you. Bop Poe.

14              MR. POE: Good evening. Thanks for the  
15       opportunity to speak in favor of the expanded access in  
16       Alaska's offshore waters. My name is Bob Poe. I'm the  
17       president and CEO of the Anchorage Economic Development  
18       Corporation. We exist -- try to expand and diversify the  
19       Anchorage and Alaskan economies.

20              I guess I'd start -- I will give you written  
21       testimony in a letter, but I'd like to start by pointing  
22       out that Anchorage is in its 18th year of uninterrupted  
23       job growth that began in '89. But prior -- and during  
24       that 18-years, oil has been \$10 a barrel twice, but oil  
25       has been at \$10 a barrel three times in Alaska's history.



1     It's kind of interesting to note that a red salmon in  
2     Bristol Bay sold for more than a barrel of oil. But  
3     there's a similar parallel when you look at these  
4     economies. What's made Alaska's economy strong today is  
5     diversification. And that's true from an economic  
6     standpoint and an energy standpoint. Today, while 85  
7     percent, 90 percent of the state's revenue's depend on  
8     oil, about one third of the jobs in Alaska depend on oil  
9     and gas development. But that's a very important  
10    underpinning for all the other elements that make up our  
11    economy.

12               In Bristol Bay they are -- the economy in  
13    Bristol Bay is subject to the price of the commodity, the  
14    price of that red salmon.

15               So I think when you look at the value of  
16    diversification from the overall Alaska economic  
17    standpoint, it's also true in Bristol Bay, that to have  
18    other kinds of jobs, to have some economy that smooths  
19    out the rises and falls -- rises and dips in the price of  
20    the red salmon is important.

21               I also think that diversification is important  
22    in terms of energy source. Prudhoe Bay recently  
23    illustrated that pretty clearly when the state began to  
24    try to figure out how they were going to meet their  
25    financial needs with the supply of oil being cut in half.

1 Again, they're not economically diversified. They get 85  
2 to 90 percent of their income from oil.

3 I think the communities that would be affected,  
4 particularly on the Chukchi and North Aleutian Basin,  
5 along the Chukchi Sea, this would be true economic  
6 development.

7 And if you look at other examples like that,  
8 the Red Dog Mine is a really good example where today 50  
9 percent of the employment along that area is Alaska date  
10 of hire, and particularly Nana Corporation hire. That's  
11 been a very successful project. And today it's given a  
12 future to Native people that live in the area, and all  
13 people that live in the area, a real economic opportunity  
14 to seize whatever future they want to be able to seize.  
15 And I think offshore development can do that for Western  
16 Alaska.

17 We also support the proposed sharing of  
18 economic benefit that would come from these leases with  
19 the communities affected. We think that's very important  
20 because as economic development occurs, you will also  
21 have to be able to develop the infrastructure, the  
22 schools, the medical facilities and so forth that are  
23 needed to support that.

24 We also believe that while we know it's not --  
25 it is controversial, in particular, the North Aleutian

1 Basin, we think oil and gas can be done safely. It's  
2 done safely in the North Sea. It's done safely in the  
3 Gulf of Mexico. I think Katrina probably illustrated  
4 that the best with the large number of offshore oil rigs  
5 that were damaged during the storm. And, yet, there  
6 wasn't a big oil spill, there wasn't any oil spill that  
7 I'm aware of, because those wells were able to be shut  
8 down effectively.

9 And recently the discovery of the large field  
10 in the Gulf of Mexico reflects something that I think is  
11 missing from a lot of this -- which is missing from a lot  
12 of this testimony, which is how much technology has  
13 changed. The fact that they could reach those depths  
14 today and find that oil, that technology is very  
15 important, and those technological changes we've seen on  
16 land and we've seen offshore as well, proven up in the  
17 North Sea and off the coast of Sakhalin.

18 Lastly, expanded opportunities in the Cook  
19 Inlet are also very important to Southcentral Alaska.  
20 Our gas and oil supplies, particular, our gas supplies,  
21 are waning. And we do need increased gas supplies to  
22 meet the gap until we see, hopefully, a spur line with  
23 the gas pipeline going down to the Chicago area.

24 So the Anchorage Economic Development  
25 Corporation is in support of expanded access to Alaska's

1 offshore waters. And we also support your consideration  
2 of lifting the presidential moratorium. And thank you  
3 very much for the opportunity to comment.

4 MR. KING: Thank you very much. Bruce St.  
5 Pierre.

6 MR. ST. PIERRE: Good evening. I'd like to  
7 begin by thanking MMS for creating a forum that people  
8 can come and give testimony, both pro and con, for the  
9 five-year leasing program and the environmental impact  
10 statement that's tied to that.

11 I think it's important to take in the variety  
12 of views. It's part of what makes our nation great, that  
13 we can speak out our views in a public forum on projects.

14 My name is Bruce St. Pierre, S-T., P-I-E-R-R-E.  
15 I am the environmental and regulatory manager of  
16 exploration of Conoco Phillips. And I'm here speaking on  
17 behalf of Conoco Phillips tonight.

18 I'm a lifelong Alaskan. I grew up here, was  
19 educated here and enjoy very much the state of Alaska,  
20 living here, and working here, and raising my family.

21 Conoco Phillips is the largest producer of oil  
22 and gas, and the most active explorer in Alaska. Our  
23 company has a proven track record of high quality  
24 environmental performance on the North Slope.

25 We fully support the federal process, which

1 falls under the National Environmental Protection Act, to  
2 initiate the petroleum impact statements -- environmental  
3 impact statements for the MMS leasing program.

4 As you may know, our company operates many oil  
5 and gas facilities in Alaska ranging from the Cook Inlet  
6 all the way up to the North Slope. And we believe that  
7 our company is a leader in innovative solutions that  
8 protect the environment, keep our people safe. And some  
9 of those examples are the use of extended reach drilling,  
10 which you've heard a little bit about tonight; reducing  
11 pad sizes on the North Slope to minimize impacts to the  
12 environment and the tundra; and also, even employing at  
13 our Alpine sites, new roadless facilities where we just  
14 have pads and we use ice road-type systems to get to  
15 those pads during the wintertime.

16 Other things that we're doing, I'll speak a  
17 little bit about our seismic program that we have going  
18 on the Chukchi Sea as we speak right now. We're looking  
19 at technologies, innovative ways to look at what's  
20 happening in the Chukchi as we're doing our programs to  
21 minimize impacts to the environment; using marine mammal  
22 observers on vessels; and employing sonar buoys for  
23 research out into the ocean. And these sonar buoys go  
24 subsurface and are used to pick up ambient noise in the  
25 environment.

1           Exploration is a very big part of our company's  
2 portfolio here in Alaska. We are the leading leaseholder  
3 in the North Slope. We've participated in over 15  
4 exploration wells in the NPRA area over the past five  
5 years, all work being done from ice pads, or ice roads,  
6 leaving very little impact to the environment. And all  
7 those wells have been drilled to date without  
8 environmental incident of spills -- large spills.

9           We've also conducted a large amount of seismic  
10 data acquisition. And we are currently conducting  
11 offshore seismic in the Chukchi -- for this open water  
12 season. We're getting towards the tail end now. We've  
13 had quite a few challenges with ice this year. But we  
14 have had a vessel up there gathering seismic operations.

15           And to get to that end, we've worked with a  
16 number of agencies and stakeholders. I was here before,  
17 when we talked about the five-year leasing plan as --  
18 scoping meetings back in April, and also have provided  
19 testimony for what they call the programmatic  
20 environmental assessment that was put together for the  
21 seismic program specifically for this year.

22           And following NEPA and completing the EIS, we  
23 believe is very important, and we encourage MMS and other  
24 agencies to use sound science to establish the  
25 alternatives. So often those alternatives, whichever one

1 is selected, or even components of those alternatives,  
2 are translated into permit stipulations or permit  
3 conditions. So we believe it's important to follow the  
4 charge of the regulation, which is to make sure good  
5 science is used in backing those alternatives and those  
6 conditions.

7 We are coordinating a lot of efforts with other  
8 offshore operators. You've heard from some tonight.  
9 Shell is also doing work in the Chukchi Sea, as well as a  
10 firm called GXT. And we have combined efforts and  
11 volunteered to employ a number of research projects  
12 accumulating about \$3 million-plus worth of studies to  
13 look at the environment, and continue to gather data in  
14 both the Beaufort and Chukchi Sea for impacts that  
15 seismic would be causing to the environment.

16 As I mentioned earlier, we hire marine  
17 observers. That's part of our permits, to have people on  
18 board looking for mammals that would come within a safety  
19 range of the vessel. And that's an important part of our  
20 process. If, in fact, a whale or marine mammal would  
21 come up, then they have the authority to shut down the  
22 operation until that mammal clears the area, and then the  
23 operation could restart.

24 So there are mitigative measures, there are  
25 steps being taken to protect the environment and cause as

1       little impact as possible while these operations are  
2       going on.

3               I don't think a lot of people know all the  
4       details of what operators are required to do when they go  
5       in and do an operation.

6               In addition, we are very aware of and  
7       respective of communities on the North Slope and their  
8       subsistence lifestyles and the needs of those  
9       communities. We had a number of meetings in Barrow,  
10      Wainwright, Point Lay and Point Hope, to lay out our  
11      programs, what we expected to do, and also to listen to  
12      concerns that people would have in the communities about  
13      the seismic programs. And we heard a lot. And I think  
14      we will continue to hear a lot as these leasing steps  
15      come into play and further into exploration and  
16      development stages.

17              We agreed to a conflict avoidance agreement  
18      with the Alaska Eskimo Whaling Association and the  
19      Whaling Captains Association in each respective village.  
20      And those documents were -- document was set up to avoid  
21      conflict, so industry would not interfere with the  
22      whaling process.

23              And the bottom line is that Conoco Phillips is  
24      a company that's committed to conducting our operations  
25      in a way that respects the environment and the local



1 culture. And we are very respectful and aware of  
2 whaling -- the importance of whaling to the communities  
3 on the North Slope.

4 We endorse the federal government's plan to  
5 offer these offshore leases in the Arctic Region to oil  
6 and gas exploration. We believe that these areas can  
7 hold some of the last untapped reserves in the world. To  
8 date there have been in excess of 75 exploration wells  
9 drilled in the offshore waters of the Beaufort and the  
10 Chukchi Seas over the past 30 years, and all without  
11 environmental incident.

12 Oil and gas has been discovered in  
13 approximately 14 percent of those wells that were  
14 drilled. So there is potential there, probably stronger  
15 than many locations in the world, and certainly within  
16 our nation, to look for oil and gas.

17 This year's seismic program -- I'll go back to  
18 that -- currently is still in process for Conoco  
19 Phillips. We expect to probably complete it in October.  
20 We have had zero safety incidents. We have had zero  
21 incidents with any collisions with marine mammals. We  
22 have had zero spills. And we're very proud of that  
23 record. And we go to big lengths to operate that way.

24 We've proven as a company that we can work  
25 closely with our neighbors. We believe in doing that.

1 We want to operate in a manner that respects their way of  
2 life. This dialog takes consistent effort on both parts,  
3 not just us, but continually working with the communities  
4 that are concerned.

5 And in conclusion, as I've mentioned, Conoco  
6 Phillips supports the federal EIS process to open these  
7 leases and to move forward with these lease sales.

8 This will improve the nation's energy, the  
9 economic security of our country, and on the local front,  
10 will improve activities in onshore areas to provide a  
11 number of Alaskan jobs.

12 I'll also be providing written comments by the  
13 end of November when your period comes up. Thank you  
14 very much.

15 MR. KING: Becca? I'm playing it safe. I'm  
16 sorry. The end of what you wrote down is going to give  
17 me lots of problems, with my eyesight.

18 MS. GISCLAIR: Yeah, that's my new married  
19 name. I'm already regretting changing it. My name is  
20 Rebecca Robbins-Gisclair, R-O-B-B-I-N-S, G-I-S-C-L-A-I-R.  
21 I'm a Palmer resident and recreational and personal use  
22 fisherman myself. I'm here tonight representing the  
23 Yukon River Drainage Fisheries Association, referred to  
24 as YRDFA, which is an association of primarily Yupik and  
25 Athabaskan commercial and subsistence fishers on the

1 Yukon River, which is Alaska's longest river.

2 The Yukon River flows over 2,300 miles from  
3 British Columbia and Yukon territories in Canada all the  
4 way to it's mouth of the Bering Sea. And it's home to  
5 one of the world's longest migrating salmon run.

6 The salmon provide a primary source of food for  
7 the humans and the sled dogs, which is essential to the  
8 subsistence way of life on the Yukon River. And for many  
9 residents the commercial salmon harvest provides one of  
10 the only means of income for those who live in the remote  
11 rural villages of the Yukon River.

12 We appreciate the opportunity to comment  
13 tonight on the five-year plan and the EIS and will be  
14 submitting further written comments on the EIS as well.

15 I'd like to urge MMS to maintain the current  
16 presidential withdrawal and remove the North Aleutian  
17 Basin from the five-year plan, to protect vital salmon  
18 waters from the threats of oil and gas leasing on the  
19 Outer Continental Shelf.

20 As I've already mentioned, salmon serves an  
21 important cultural and economic role for communities on  
22 the Yukon River and throughout Western Alaska. Yukon  
23 River salmon spend four to five years of their lives in  
24 the ocean. During this time they move throughout the  
25 Bering Sea, down to the Aleutian Islands and the waters

1 of Bristol Bay.

2 Both Yukon River salmon and millions of other  
3 salmon pass through the area proposed for drilling in the  
4 North Aleutian Basin -- in their climate sea before  
5 returning to their native streams.

6 The potential effects of drilling are numerous  
7 and deadly. Drilling operations can pollute waters and  
8 the oil spills from drilling operations and tankers can  
9 cause devastating effects on fish, wildlife and the  
10 marine environment for years to come, as evidenced all  
11 too clearly by the Exxon Valdez spill.

12 The threats from oil exploration go beyond  
13 those just to salmon themselves, but threaten the value  
14 of the wild salmon label. Alaskan fishers in the state  
15 of Alaska have worked hard and invested millions of  
16 dollars in developing markets for wild Alaska salmon.  
17 These markets depend entirely on the cleanliness and the  
18 perceived cleanliness of our waters.

19 A spill anywhere in Alaskan salmon bearing  
20 waters or even the appearance of uncleanness from  
21 drilling stations in our most productive salmon waters  
22 threatens the marketability of all Alaska wild salmon.

23 I'd like to comment briefly on the EIS. I'm  
24 still in the process of reading it. It's quite a lengthy  
25 document. It will take a few months to get through it.

1 But I have briefly looked it over. And I would like to  
2 address a few points.

3 First, the plan itself and the EIS failed to  
4 adequately consider the impacts from proposed drilling in  
5 the North Aleutian Basin on Western and Interior Alaska.  
6 The scope of analysis in both the alternatives and the  
7 environmental justice analysis in particular, to consider  
8 the impacts that would be felt throughout Western  
9 Interior Alaska if a spill should occur.

10 Second, the EIS remarkably under assesses the  
11 impacts of spills on fisheries and Native communities.  
12 Specifically, the EIS states that any single large spill  
13 would affect only a small proportion of a given fish  
14 population within Alaska. And that fish resources would  
15 not be permanently affected.

16 The experience of Exxon Valdez where the  
17 fishing populations and the communities of Cordova have  
18 still yet to recover speaks to the contrary.

19 Finally the EIS fails to assess the impact on  
20 fish marketing, which I have addressed previously.

21 I'd also like to note a few concerns with the  
22 public process. Public process goes far beyond holding  
23 public meetings and issuing public notices. And I'd like  
24 to echo the concerns mentioned previously, that an EIS of  
25 this size and scope is highly inaccessible. It's far

1       beyond the average fisherman's ability and time to read,  
2       let alone understand.

3               In closing, I'd like to reiterate that offshore  
4       drilling in the North Aleutian Basin threatens salmon and  
5       Native populations throughout Alaska. The potential  
6       benefits of increased oil production are far outweighed  
7       by the enormous risks to our vital salmon resources.  
8       Thank you.

9               MR. KING: Thank you.

10              DR. LIMA: Just a comment. You said you would  
11       be submitting written testimony as well?

12              MS. ROBBINS-GISCLAIR: Yes.

13              DR. LIMA: Would you do us a favor? You  
14       represent a group of villages that -- on the  
15       Yukon-Kuskokwim that obviously have an interest in what's  
16       going on in Bristol Bay and the North Aleutian Basin. In  
17       your written testimony, can you identify those villages  
18       to us? And that way we can make sure that they do get  
19       into the system for notification and receiving EISs, and  
20       getting announcements as they become available.

21              MS. ROBBINS-GISCLAIR: Absolutely.

22              DR. LIMA: We try to do this, but when we get  
23       someone in who has specific local knowledge of that area,  
24       it's a real help to us if we can get that additional  
25       input.

1                   MS. ROBBINS-GISCLAIR: There's 49 villages. I  
2 will get those to you.

3                   MR. KING: Scott Thornson?

4                   MR. THORSON: For the record, my name is Scott  
5 Thorson, T-H-O-R-S-O-N. I'm here representing myself  
6 this evening. I'm in favor of the expanded drilling  
7 proposal that MMS has put out. There is a variety of  
8 reasons. There's a lot of people here tonight, so I'm  
9 not going to go on at length.

10                  I think that it increases the security of our  
11 country by developing as much oil and gas in this country  
12 as we possibly can. I think it helps our economy here.  
13 I'm in favor of revenue sharing with the local economies  
14 under our original state compact, which is the contract  
15 that we came into the United States as a state under --  
16 actually required a 90/10 split for all revenue developed  
17 in any kind of a natural resource development.

18                  So that's about all I have to say. I really  
19 appreciate to talk in front of you guys tonight.

20                  MR. KING: Okay. Thank you.

21                  The next is Francis Raskin.

22                  MS. RASKIN: Yes.

23                  MR. KING. Now you get a license. You get a  
24 real estate license since I pronounced your name.

25                  MS. RASKIN: How about if I already have a law

1 license?

2 MR. KING: Well, I don't know if it's as good  
3 as a real estate license or not, especially with me  
4 giving it.

5 MS. RASKIN: I just want to thank you for  
6 holding this hearing tonight and allowing me to appear  
7 and make comments on the five-year plan. My name is  
8 Frances Raskin. It's spelled R-A-S-K-I-N. And I'm an  
9 attorney with Trustees for Alaska. We are a nonprofit  
10 public interest environmental law firm. And we represent  
11 individuals, environmental and other public interest  
12 organizations, Native Villages and Native organizations.

13 As an initial point, I would like to state that  
14 our clients concur with the comments made by Dr. Rick  
15 Steiner, Kelly Harrell, Shelly Johnson, Rebecca  
16 Robbins-Gisclair. Our clients, too, are extremely  
17 concerned about the environmental implications of the  
18 five-year leasing plan. And I cannot stress enough that  
19 MMS must provide a detailed analysis of the effects of  
20 oil development on the marine ecosystem, endangered and  
21 threatened species, and the subsistence needs and  
22 traditions of rural communities, as well as the  
23 importance of these areas to the commercial and sport  
24 fishing industries.

25 The Alaska OCS is a national treasure. The



1     Beaufort and Chukchi Seas are the nation's only arctic  
2     marine ecosystem.  Additionally, Bristol Bay, as has been  
3     said before, is home to many species, including those  
4     listed in the Endangered Species Act and the Marine  
5     Mammal Protection Act, including the planet's most  
6     endangered great whales.

7             It's an important commercial and subsistence  
8     fishing ground.  And this entire area has been greatly  
9     impacted by change due to Global Warming.  We're seeing  
10    rapidly increasing rates of change, and changes in the  
11    ecosystem.  MMS must take these changes into account, and  
12    the predicted future changes, in making any plans or  
13    statements in the EIS.

14            My main concern today is about the process  
15    here.  The OCS five-year plan EIS must provide a very  
16    detailed statement on the environmental impact of the  
17    proposed program on the unique and imperiled resources  
18    of Alaska OCS as required by NEPA.

19            Moreover, NEPA and the Interior Department  
20    Manual require MMS to inform and involve decision makers  
21    and the public in the presentation of this document.  
22    Several comments have been made here before -- and I  
23    agree with them -- that this is very inaccessible to the  
24    general public, especially in rural areas.  And we  
25    believe that MMS should do more in their outreach efforts

1 to involve these communities, to explain the implications  
2 and the details to these communities, and their  
3 individuals that are interested in this process, because  
4 it affects their livelihoods and their way of life.

5 As a part of that, it requires properly noticed  
6 public hearings. This is one of the most egregious  
7 examples of a notice of a public hearing that I have  
8 seen. As someone here earlier mentioned, the federal  
9 registered notice was released after one of the hearings.  
10 It was released within -- on the day of the meeting in  
11 Cold Bay, within two days of the meetings in Nelson  
12 Lagoon, Sand Point, and Anchorage.

13 I personally had a hard time getting here  
14 because the street name that was provided for the address  
15 here is a new street name, was not listed in Map Quest,  
16 Yahoo Maps, or Google Maps. I think you can do a little  
17 more to reach out to the community. And it's pretty  
18 evident here, by the nature of the people that have been  
19 here today, you haven't seen too many of the common  
20 citizens that are out there as subsistence fishermen and  
21 otherwise.

22 It's important, as the manual points -- the  
23 Department of Interior Manual points out, to involve the  
24 public in decisions that may affect them. That's at 301,  
25 Department of Interior Manual, Page 2: To make special

1 efforts to reach an involved, reluctant or unknown  
2 segments of the public -- that's 301 Department Manual  
3 2.6(e) -- to allow enough lead time on the initial  
4 notification and on communications throughout the process  
5 that individuals and groups have time to consider the  
6 values at stake for them. That's at 301 Department  
7 Manual 2.6.F.1.

8 And finally MMS has a special obligation to  
9 include procedures that include, wherever appropriate  
10 provision for public meetings. I think the public  
11 meetings in this instance have not been sufficiently  
12 noticed, nor are they sufficient in number.

13 I guess to wrap up, we believe that MMS should  
14 renotice and conduct another round of public meetings in  
15 Alaska communities to ensure full public participation.

16 MR. KING: Thank you. Butch Allen?

17 MR. ALLEN: Good evening. My name is Butch  
18 Allen. I want to thank the good folks at MMS for an  
19 opportunity to speak tonight on -- to address the  
20 important issue of the five-year plan and the Draft EIS.

21 I represent the Alaska Center for the  
22 Environment and over 7,000 Alaskan members. My  
23 colleagues tonight, the few that made it out were --  
24 mentioned in their comments salmon. And I would have to  
25 say we certainly feel like salmon swimming upstream in

1       this room tonight. But that's okay. That's what we do.

2               I also would like to point out that I did drive  
3       here in a car, and I would suggest that probably 99  
4       percent of our 7,000 members also drive automobiles and  
5       use petroleum products on a day-to-day basis. I'm here  
6       to address a few specific points within the OCS five-year  
7       plan, the Draft EIS specifically. And not to go against  
8       petroleum exploration by any stretch of the imagination.

9               I'd like to talk a little bit about the  
10       implications for Bristol Bay, the Chukchi Sea and the  
11       Beaufort Sea. According to MMS' website, their mission  
12       in the Alaska region specifically is to "manage the  
13       mineral resources of Alaska's Outer Continental Shelf in  
14       an environmentally sound and safe manner."

15              We commend MMS on this pledge to explore  
16       Alaska's OCS oil and gas reserves in a manner which puts  
17       the health of Alaska's diverse ecosystems above all else.  
18       In that spirit, we would offer that MMS' recommendation  
19       that an OCS fuel line be considered in the North Aleutian  
20       Basin, which includes Bristol Bay, does not, in fact,  
21       promote environmentally sound and safe management.

22              Is it safe? Considering the incredible  
23       diversity that exists within Bristol Bay we think not.  
24       Within the confines of North Aleutian Basin proposed area  
25       exist the following: The world's largest run of salmon,

1 the largest salmon fishery, the heart of the pollock,  
2 cod, and red king crab fisheries, and one of the most  
3 endangered populations of whales in the world, the  
4 Eastern stock of the North Pacific right whale, which  
5 optimistic estimates suggests that there be 100 animals  
6 left.

7           One accident and/or spill in these sensitive  
8 areas can spell disaster for both the animals and the  
9 humans who depend on them for their sustenance and  
10 livelihood. Prudhoe Bay, like many people in this room  
11 tonight can testify to, that is arguably one of the most  
12 environmentally scrutinized oil production facilities in  
13 the world. No one can argue that. Yet despite elaborate  
14 oversight, British Petroleum failed to detect or prevent  
15 pipeline corrosion, which brought a substantial shutdown  
16 this past August.

17           Based on the oil industry's most recent  
18 failures, it seems irresponsible at best to presume that  
19 they can be trusted to operate safely in a fragile  
20 ecosystem such as Bristol Bay, which are far removed from  
21 the public's eye.

22           The MMS website cautions that the Alaska region  
23 must, "find a way to provide the opportunity to explore  
24 for petroleum and still preserve the environment and the  
25 lifestyle of the people living adjacent to its coast."

1           There is a way to do that, and that's not to  
2       drill in Bristol Bay. There's simply too much at stake.

3           Going back to MMS' commitment to managing OCS  
4       in an environmentally sound and safe manner, I'd like to  
5       address the Arctic areas covered in the DEIS. Is it  
6       sound and safe to drill in these areas? Sound would  
7       indicate unfailing and dependable management, and can we  
8       say something is either, if it's failed to be tested  
9       successfully?

10           Today's petroleum industry has failed to  
11       successfully clean up oil spilled on ice. That's a track  
12       record. Hard leak grounds is grounds for granting leases  
13       in frequently icebound regions.

14           Finally, energy alternatives exist that could  
15       alleviate or negate some of the need for such exploration  
16       development. Authorizing additional drilling in  
17       sensitive areas for oil and gas not only fuels that  
18       dependence on fossil fuels, but also places at risk  
19       fisheries critical to Alaska's long-term economy.

20           Our nation's energy security is dependent not  
21       on our ability to lead the way in finding new sources of  
22       oil, but on finding new sources of renewable energies and  
23       new technologies.

24           We must develop such technologies at a pace  
25       that leads, not lags behind the rest of the world. Thank

1       you for your time.

2               MR. KING: Thank you. We're going to ask for  
3       Jolene. And then I won't slaughter your last name.

4               MS. LEKANOF: Hi, my name is Jolene Lekanof.  
5       And that's spelled L-E-K-A-N-O-F. I'm a shareholder and  
6       an employee of Tanadgusix Corporation and Alaska Native  
7       Village Corporation for St. Paul Island.

8               Our company shareholders are supportive  
9       regarding the environmental responsibility of responsible  
10      development of oil and gas on the Aleutian Shelf and  
11      Bering Sea. All the Aleut people of the Aleutian and  
12      Pribilof Islands will be impacted in some way by the  
13      development of oil and gas in the region.

14              Jobs are scarce in the region, and therefore we  
15      ask that the federal government and the state put forth  
16      employment practices to ensure that all the Aleut people  
17      of the Aleutian and Pribilof Islands gets first  
18      opportunity on jobs. I thank you for allowing my  
19      testimony.

20              MR. KING: Thank you. Do you have any more,  
21      Robin?

22              SPEAKER: No.

23              MR. KING: Okay. Is there anybody else who  
24      would like an opportunity to speak? If not, we thank you  
25      for coming out. We look forward to getting your

1        comments, hopefully by the -- near the end of November.

2        And have a safe trip home.

3                    (Proceedings concluded at 7:06 p.m.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

REPORTER'S CERTIFICATE

I, ROSIE S. SCOTT, CSR, hereby certify:

That I am a Certified Shorthand Reporter  
for Alaska Stenotype Reporters and Notary Public for the  
State of Alaska; that the foregoing proceedings were  
taken by me in computerized machine shorthand and  
thereafter transcribed by me; that the transcript  
constitutes a full, true and correct record of said  
proceedings taken on the date and time indicated therein.

Further, that I am a disinterested person to  
said action.

IN WITNESS WHEREOF, I have hereunto  
subscribed my hand and affixed my official seal this  
\_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
ROSIE S. SCOTT  
Certified Shorthand Reporter  
My Commission Expires  
8/16/08